

Title 11--DEPARTMENT OF PUBLIC SAFETY
Division 45--Missouri Gaming Commission
Chapter 8—Accounting Records and Procedures; Audits

EMERGENCY AMENDMENT

11 CSR 45-8.140 Application and Verification Procedures for Granting Credit. The commission is amending section (4) and adding new sections (5) and (6).

PURPOSE: This amendment changes regulatory procedures for the Class B licensees to follow regarding standards for establishing lines of credit.

EMERGENCY STATEMENT: This emergency amendment is necessary to address statutory sections enacted in SB 833 (2016), specifically, sections 313.800 and 313.817, which become law on August 28, 2016. This legislation modified the manner in which Class B licensees determined a patron's credit worthiness and the amount of credit the Class B licensee can extend to patrons applying for a credit instrument.

This bill modifies the definition of "qualified person" to mean a person who qualifies for a line of credit in an amount determined by the Class B licensee based on the person's demand deposit accounts, including any checking or savings accounts. The bill sets criteria for credit instruments of ten thousand dollars (\$10,000) or less as well as for credit instruments of more than ten thousand dollars (\$10,000). This amendment will allow the thirteen (13) casinos to extend credit to more patrons; however, we have no estimate on how many patrons this will affect. The submitted regulation was drafted to explain the standards for determining the amount of credit to issue based on the credit worthiness of an individual applying for credit under sections 313.800–313.850, RSMo. Patrons will benefit from consistent standards as well, in that they can be secure in knowing that all casinos within the state comply with and operate within the same framework; these regulations will provide a level playing field for all parties involved.

In addition, Chapter H of the Minimum Internal Control Standards (MICS) was revised to include the new definition of a "qualified person" and the amount of credit that can be extended based on a patron's credit worthiness. The Missouri Gaming Commission (MGC) is responsible for establishing MICS to provide a framework from which each casino is required to develop its own internal control system. MGC requested input from the gaming industry regarding the new provisions for lines of credit, and used their feedback to modify the standards and procedures to ensure fairness to the industry. Without the emergency MICS the casinos would be required to submit their internal controls for credit without any regulatory guidelines or minimum standards.

Specifically, this emergency amendment updates the procedure for determining a patron's creditworthiness and it adds the new regulations for extending credit based on a patron's creditworthiness.

*As such, the MGC finds an immediate threat to the public welfare and a compelling governmental interest to regulate the extension of credit by Class B licensees by August 28, 2016, which requires this emergency action. A proposed amendment which covers the same material is published in this issue of the **Missouri Register**. The scope of this emergency amendment is limited to the circumstances creating the emergency and complies with the protections extended in the **Missouri and United States Constitutions**. The Missouri Gaming Commission believes this emergency amendment is fair to all interested, persons and parties under the circumstances. This emergency amendment was filed July 28, 2016, becomes effective August 28, 2016, and expires February 23, 2017.*

(4) Prior to a Class B licensee's approval of a person's credit limit, an employee of the credit department or other employee as designated in the Class B licensee's internal control system shall—

(C) Perform a credit check and apply usual standards to determine the dollar amount of credit for which the person qualifies. *[If the person does not qualify for at least a ten thousand dollar (\$10,000) line of credit, the application shall be denied];*

(5) A person's credit worthiness shall be based on the amount of funds in the person's demand deposit account or accounts including any checking account and savings account.

(6) If the person's credit worthiness is ten thousand dollars (\$10,000) or more, the Class B Licensee may accept a credit instrument of more than ten thousand dollars (\$10,000) only if the qualified person's creditworthiness is equal to or in excess of the amount of the credit instrument. If the person's credit worthiness is less than ten thousand dollars (\$10,000), the Class B Licensee may only accept credit instruments that are equal to or less than half the amount of the person's creditworthiness.

*AUTHORITY: section 313.004, RSMo 2000, and sections 313.800, 313.805, 313.812, 313.817, and 313.830, RSMo Supp. 2014, and 313.930, RSMo (SB 833, Second Regular Session, Ninety-eighth General Assembly, 2016). Emergency rule filed July 31, 2014, effective Aug. 28, 2014, expired Feb. 26, 2015. Original rule filed July 31, 2014, effective Feb. 28, 2015. Emergency amendment filed July 28, 2016, effective Aug. 28, 2016, expires Feb. 23, 2017. A proposed amendment covering this same material is published in this issue of the **Missouri Register**.*